

JOHN COOK  
MAYOR

Joyce Wilson  
CITY MANAGER

CARMEN ARRIETA-CANDELARIA  
CHIEF FINANCIAL OFFICER



CITY COUNCIL  
ANN MORGAN LILLY, DISTRICT 1  
SUSANNAH M. BYRD, DISTRICT 2  
EMMA ACOSTA, DISTRICT 3  
MELINA CASTRO, DISTRICT 4  
RACHEL QUINTANA, DISTRICT 5  
EDDIE HOLGUIN JR., DISTRICT 6  
STEVE ORTEGA, DISTRICT 7  
BETO O'ROURKE, DISTRICT 8

## FINANCIAL SERVICES DEPARTMENT

June 19, 2008

To: Joyce Wilson, City Manager  
Through: William Studer, Deputy City Manager  
Carmen Arrieta-Candelaria, Chief Financial Officer  
From: Blanca B. Lorkowski, Treasury Services Coordinator  
Subject: Quarterly Investment Report for the Period Ending May 31, 2008.

Submitted for your review and acceptance is the City of El Paso third quarter investment report including documentation of investments held and evaluation of investment performance. The Investment Officers have complied with the Public Funds Investment Act, the City's Investment Policy, and adopted Investment Strategies. All funds were invested to meet cash flow requirements for operations, capital projects, and debt service payments.

During this quarter the City bid one investment. The investment was made to satisfy a portfolio diversity requirement and to take advantage of the superior yield in the market. Daily available cash was placed into investment pools which outperformed the interest-bearing accounts. The five investment pools used by the City – TexStar, TexPool, Logic, Wells Fargo and Texas-Term – had an average yield of 2.580% for the quarter ended May 31, 2008.

The following is a summary comparison of selected information as of February 29, 2008 and May 31, 2008:

	3rd Quarter 2008 May 31, 2008	2nd Quarter 2008 February 29, 2008
Principal Invested	\$227,205,963.97	\$206,711,891.38
Portfolio Book Value	\$227,200,287.89	\$206,711,891.38
Portfolio Fair Value	\$227,200,235.72	\$206,711,891.38
Weighted Average Maturity	39 Days	6 Days

BBL \ quarterly report –May 31, 2008  
FINANCIAL SERVICES DEPARTMENT

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The yields on portfolio investments and representative market securities are:

	<u>May 31, 2008</u>
Investment Pools	2.580%
U. S. Agency Securities	1.750%
Average 3-month T-bill Rate	1.450%
Average 6-month T-bill Rate	1.650%
Average 6-month CD Rate	2.800%
City Average Portfolio Yield	2.926%

Attached are additional charts and tables portraying the City's portfolio and summarized reports of portfolio position required by the Texas Public Funds Investment Act.

The change in the average portfolio yield for the quarter was 29.28 basis points lower at the end of quarter compared to the beginning of the quarter. This decrease is due in the yields of the investment market in general. The City's current average portfolio yield was higher than the 3-month T-bill rate over the same period by 147.6 basis points.

c: Mayor John Cook and Council Members  
City Clerk

**ATTACHMENTS:**

- Chart - City Portfolio by Investment Type
- Chart - Portfolio Maturity
- Chart - Treasury Benchmark Yield Analysis
- Chart - Portfolio Performance Comparison
- Report - Total Return
- Report - Texas Compliance Summary
- Report - Texas Compliance Details

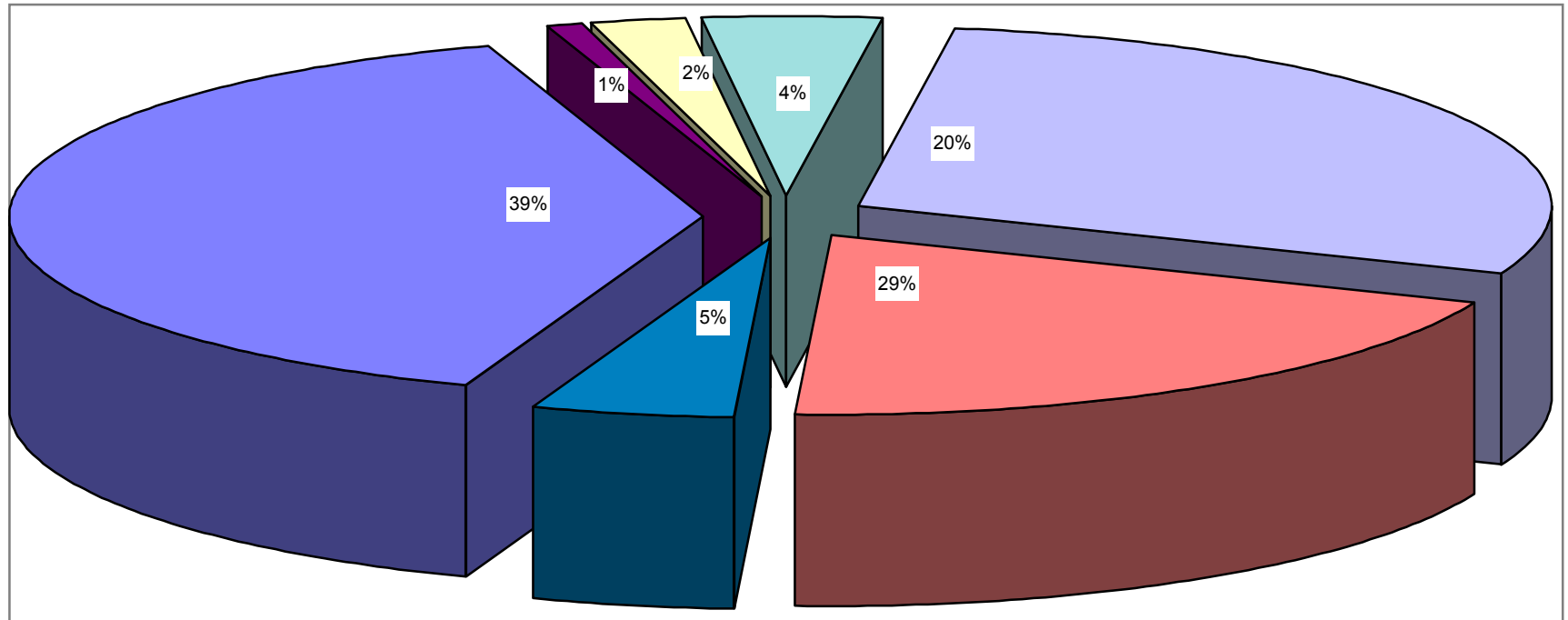
BBL \ quarterly report –May 31, 2008

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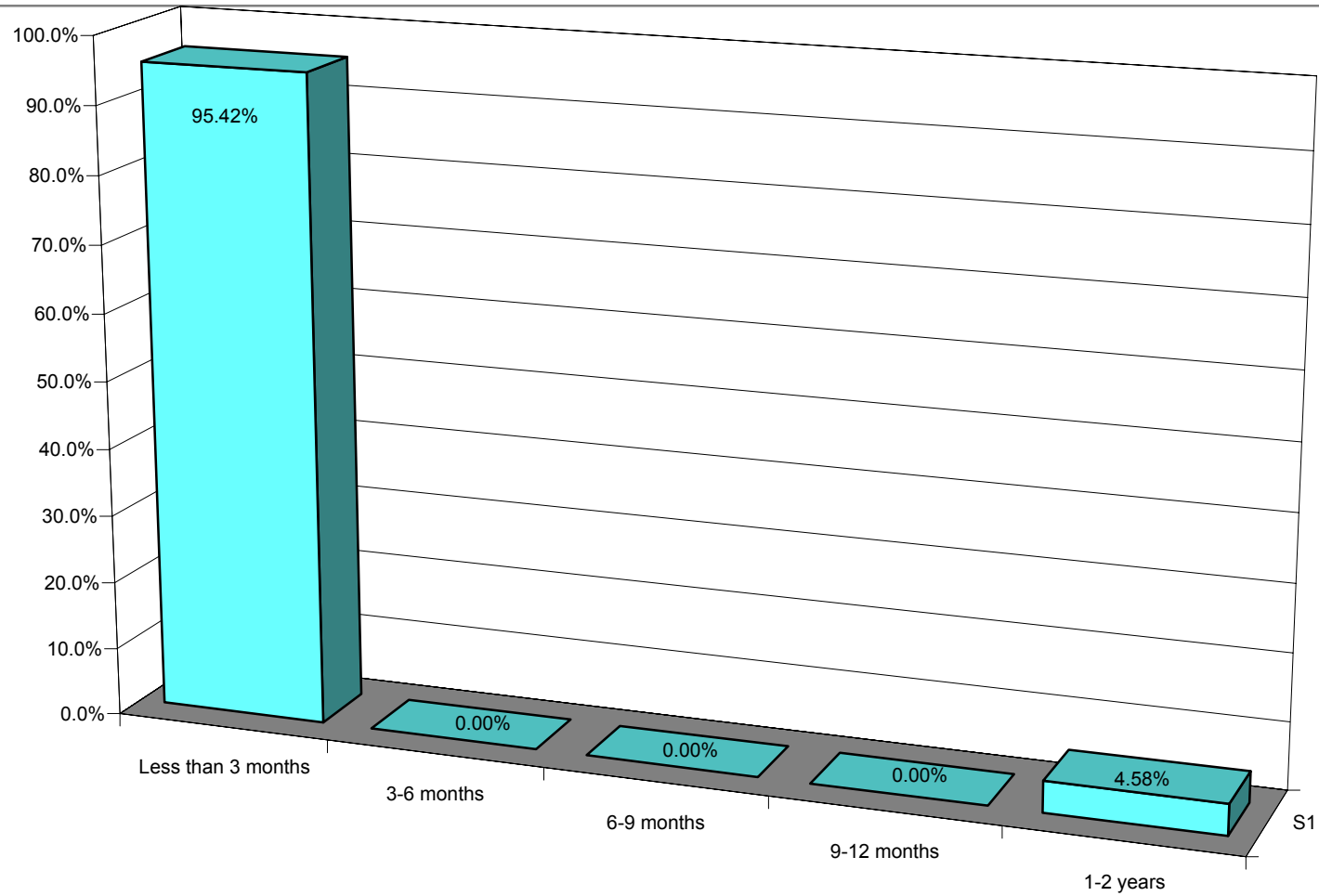


**City Portfolio by Investment Type**  
**As of May 31, 2008**

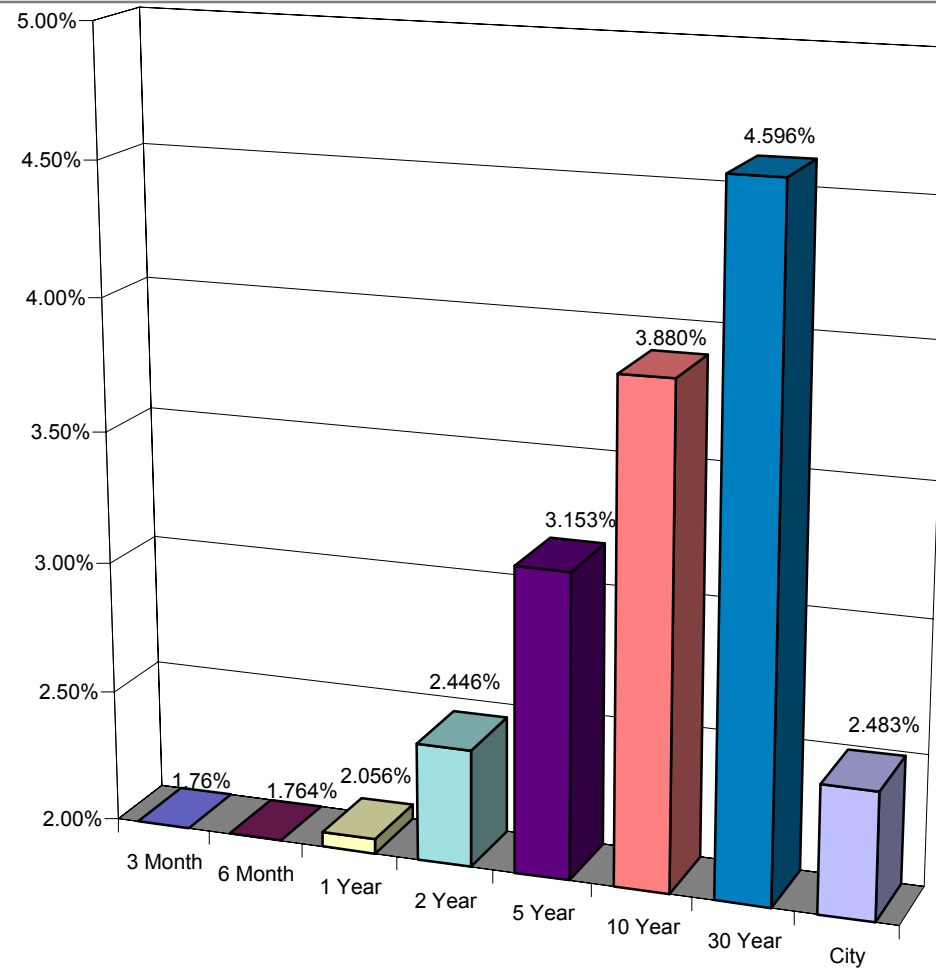


- Texas Term
- Wells Fargo-City
- Wells Fargo-PFC
- Logic Investment Pool
- Texpool Investment Pool
- Texstar Investment Pool
- Agency Notes

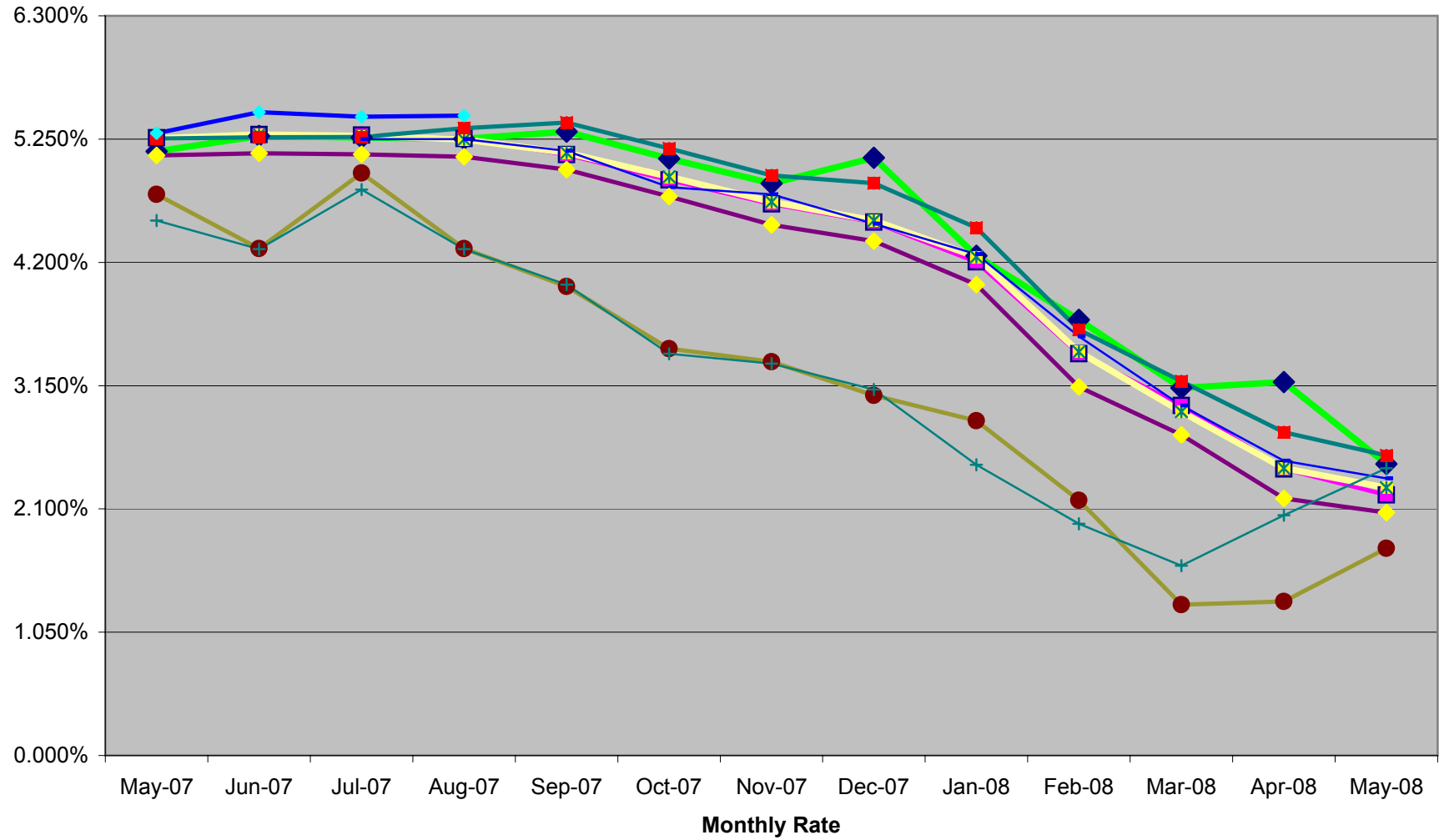
**Portfolio Maturity  
As of May 31, 2008**



**Treasury Benchmark Yield Analysis**  
**As of May 31, 2008**



Portfolio Performance Comparison for the Period May 2007 through May 2008



City TexStar TexPool Logic Texas Term MBIA Wells Fargo 3 Month TBill 2 Yr TNote



**City of El Paso**  
**Total Return**  
**Sorted by Security Type - Fund**  
**March 1, 2008 - May 31, 2008**  
**Yield on Time Weighted Value**

CUSIP	Investment #	Fund	Investment Class	Beginning Invested Value	Time Weighted Invested Value	Ending Invested Value	Maturity Date	Current Rate	Total Return	Interest Earned	Adjustment in Value	Net Investment Income
<b>Security Type: Federal Agency Discount Note</b>												
3128XTWA8	510000055	01	Amortized	0.00	565,721.29	10,409,323.92	11/27/2009	0.036	0.037	0.00	52.17	52.17
			<b>Subtotal</b>	<b>0.00</b>	<b>565,721.29</b>	<b>10,409,323.92</b>			<b>0.037</b>	<b>0.00</b>	<b>52.17</b>	<b>52.17</b>
<b>Security Type: Investment Pools</b>												
608352	5060000007	01	Amortized	0.00	0.00	0.00		0.836		0.00	0.00	0.00
SYS5010000008	5010000008	01	Amortized	0.00	0.00	0.00				0.00	0.00	0.00
746000749	5010000007	01	Amortized	9,905,851.19	9,932,208.34	9,976,748.70		2.556	2.687	67,256.51	0.00	67,256.51
071031111000	5020000007	01	Amortized	64,958,974.89	65,117,790.80	65,380,361.64		2.281	2.391	392,443.56	0.00	392,443.56
746000749	5030000007	01	Amortized	61,253,233.91	57,016,434.75	45,122,700.96		2.219	2.193	315,209.51	0.00	315,209.51
TX0103050001	5010000007	01	Amortized	0.00	0.00	0.00		5.410		0.00	0.00	0.00
12826111	5060000010	01	Amortized	7,899,390.37	7,740,926.12	2,335,231.54		2.068	2.294	44,767.77	0.00	44,767.77
SYS521	521	01	Amortized	0.00	3,152,173.91	5,000,000.00		2.640	2.640	20,975.34	0.00	20,975.34
SYS520	520	01	Amortized	0.00	7,173,913.04	10,000,000.00		2.600	2.600	47,013.70	0.00	47,013.70
SYS525	525	01	Amortized	0.00	782,608.70	6,000,000.00		2.530	2.530	4,990.68	0.00	4,990.68
SYS519	519	01	Amortized	6,000,000.00	5,217,391.30	0.00		2.960	5.171	68,000.90	0.00	68,000.90
SYS523	523	01	Amortized	0.00	2,543,478.26	6,000,000.00		2.720	2.720	17,437.81	0.00	17,437.81
SYS524	524	01	Amortized	0.00	1,086,956.52	5,000,000.00		2.600	2.600	7,123.29	0.00	7,123.29
SYS522	522	01	Amortized	0.00	8,695,652.17	20,000,000.00		2.750	2.750	60,273.97	0.00	60,273.97
SYS514	514	01	Amortized	0.00	0.00	0.00		5.130		0.00	0.00	0.00
SYS518	518	01	Amortized	5,000,000.00	1,847,826.09	0.00		4.600	12.954	60,333.03	0.00	60,333.03
SYS511	511	01	Amortized	0.00	0.00	0.00		5.220		0.00	0.00	0.00
SYS5060000011	5060000011	01	Amortized	37,884,126.01	55,176,283.22	37,480,446.61		2.360	3.596	500,148.43	0.00	500,148.43
SYS512	512	01	Amortized	0.00	0.00	0.00		5.480		0.00	0.00	0.00
SYS513	513	01	Amortized	0.00	0.00	0.00		5.600		0.00	0.00	0.00
SYS516	516	01	Amortized	5,000,000.00	543,478.26	0.00		4.960	4.960	6,794.52	0.00	6,794.52
SYS515	515	01	Amortized	0.00	0.00	0.00		4.700		0.00	0.00	0.00
SYS517	517	01	Amortized	5,000,000.00	3,695,652.17	0.00		4.300	10.034	93,462.79	0.00	93,462.79
332150	5060000008	02	Amortized	0.00	0.00	0.00		2.350		0.00	0.00	0.00
12828893	5060000009	02	Amortized	3,810,315.01	4,423,395.53	4,495,474.52		2.068	2.223	24,782.13	0.00	24,782.13
			<b>Subtotal</b>	<b>206,711,891.38</b>	<b>234,146,169.18</b>	<b>216,790,963.97</b>			<b>2.933</b>	<b>1,731,013.94</b>	<b>0.00</b>	<b>1,731,013.94</b>

City of El Paso

Total Return

Sorted by Security Type - Fund

CUSIP	Investment #	Fund	Investment Class	Beginning Invested Value	Time Weighted Invested Value	Ending Invested Value	Maturity Date	Current Rate	Total Return	Investment Income		
										Interest Earned	Adjustment in Value	Net Investment Income
			Total	206,711,891.38	234,711,890.47	227,200,287.89			2.926	1,731,013.94	52.17	1,731,066.11

Components of Return: Interest: 2.926

Amortization:

Market Value:





**City of El Paso**  
**Texas Compliance Summary**  
**Sorted by Investment Class**  
**March 1, 2008 - May 31, 2008**

Investment Class	Par Value	Market Value	Book Value	Accrued Interest
Amortized Cost				
Value beginning 03/01/2008	206,711,891.38	206,711,891.38	206,711,891.38	5,853,777.90
Net Change	20,494,072.59	20,488,344.34	20,488,396.51	-33,552.27
Value ending 05/31/2008	227,205,963.97	227,200,235.72	227,200,287.89	5,820,225.63
<hr/>				
Total				
Value beginning 03/01/2008	206,711,891.38	206,711,891.38	206,711,891.38	5,853,777.90
Net Change	20,494,072.59	20,488,344.34	20,488,396.51	-33,552.27
Value ending 05/31/2008	227,205,963.97	227,200,235.72	227,200,287.89	5,820,225.63



City of El Paso  
Texas Compliance Details  
Sorted by Investment Class  
May 31, 2008

CUSIP	Investment #	Fund	Issuer	Investment Type	Par Value	Maturity Date	Call Date	Current Rate	Market Price	Market Date	Market Value	Book Value
Investment Class: Amortized Cost												
746000749	5010000007	01	Logic Investment Pool	PA1	9,976,748.70			2.556	100.000	02/29/2004	9,976,748.70	9,976,748.70
071031111000	5020000007	01	TEXPOOL Investment Pool	PA1	65,380,361.64			2.281	100.000	05/31/2000	65,380,361.64	65,380,361.64
746000749	5030000007	01	Texstar	PA1	45,122,700.96			2.219	100.000	02/29/2004	45,122,700.96	45,122,700.96
12828893	5060000009	02	WELLS FARGO GOVERNMENT MMF	PA1	4,495,474.52			2.068	100.000	03/09/2005	4,495,474.52	4,495,474.52
12826111	5060000010	01	WELLS FARGO GOVERNMENT MMF	PA1	2,335,231.54			2.068	100.000	04/05/2005	2,335,231.54	2,335,231.54
SYS506000011	5060000011	01	Texas Term	PA1	37,480,446.61			2.360	100.000	06/05/2007	37,480,446.61	37,480,446.61
SYS520	520	01	Texas Term	PA1	10,000,000.00			2.600	100.000	03/27/2008	10,000,000.00	10,000,000.00
SYS521	521	01	Texas Term	PA1	5,000,000.00			2.640	100.000	04/04/2008	5,000,000.00	5,000,000.00
SYS522	522	01	Texas Term	PA1	20,000,000.00			2.750	100.000	04/22/2008	20,000,000.00	20,000,000.00
SYS523	523	01	Texas Term	PA1	6,000,000.00			2.720	100.000	04/23/2008	6,000,000.00	6,000,000.00
SYS524	524	01	Texas Term	PA1	5,000,000.00			2.600	100.000	05/12/2008	5,000,000.00	5,000,000.00
SYS525	525	01	Texas Term	PA1	6,000,000.00			2.530	100.000	05/20/2008	6,000,000.00	6,000,000.00
3128X7WA8	5100000055	01	FREDDIE MAC	AFD	10,415,000.00	11/27/2009		0.036	99.945	05/27/2008	10,409,271.75	10,409,323.92
					Subtotal	227,205,963.97						
					Total	227,205,963.97						
						227,200,235.72						
						227,200,287.89						